

Updater

Georgia Department of Community Health

Division of Public Employee Health Benefits

July 1, 2005

State Health Benefit Plan (SHBP) Members: This Updater is official notification of Plan changes and supersedes any previously published information that conflicts with this Updater. Please keep this Updater with your Plan documents for future reference. It will be used with the SHBP Summary Plan Description (SPD) dated April 1, 2003 and subsequent Updaters to administer the Plan until new SPDs are published. If you are disabled and need this information in an alternative format, call TDD Relay Service at (800) 255-0056 (text telephone) or (800) 255-0135 (voice) or write the SHBP at P.O. Box 38342, Atlanta, GA 30334.*

**This is the 3rd Updater published since the SHBP SPD dated April 1, 2003.*

Plan changes indicated in this *Updater* are effective July 1, 2005

Active Version

June 20, 2005

MEMORANDUM

TO: All Members of the State Health Benefit Plan

FROM: Tim Burgess

Under a federal law known as the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), certain notices must be provided to you. This memo will serve as notice to you related to the surcharge for tobacco use that the Plan will charge for coverage beginning July 1, 2005.

Under HIPAA, group health plans may not discriminate on the basis of "health status." However, the law also permits state and local government employers that sponsor health plans to elect to exempt a plan from this requirement for any plan that is "self-funded" by the employer, rather than provided through a private health insurance policy. The Department of Health and Human Services considers tobacco use to be a "health status." Therefore, the self-funded options under the SHBP have opted out of this requirement for the plan year July 1, 2005, through December 31, 2005. The election may be renewed for subsequent plan years. The purpose of this exemption is to enable the SHBP to comply with federal law in applying the tobacco use surcharge.

Therefore, this notice informs all members of the self-funded options of the State Health Benefit Plan of the Plan's election to be exempt from the following provision:

Prohibitions against discriminating against individual participants and beneficiaries based upon health status. A group health plan may not discriminate in enrollment rules or in the amount of premiums or contributions it requires an individual to pay based on certain health status-related factors: health status, medical condition (physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability.

The exemption and this notice do not change your eligibility, your benefits, or your premiums, other than to apply the surcharge for tobacco use if applicable.

HIPAA also requires the Plan to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan because you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer's health plan, or if you wish to purchase an individual health insurance policy. You may obtain the certificate of creditable coverage upon request.

If you have any questions about this notice, you may contact:

State Health Benefit Plan
Attn: Surcharge
P. O. Box 38342
Atlanta, Georgia 30334

This ***Updater*** describes significant changes to the State Health Benefit Plan (SHBP) and includes important notices about specific benefits. The SHBP encourages every member to read the entire ***Updater***.

FOR ALL PLAN MEMBERS

- **Mandatory Web Enrollment** — Began with the spring 2005 Open Enrollment and is planned for future Open Enrollment Periods.
- **Plan Year Change** — The SHBP is changing to a Calendar Plan Year effective January 1, 2006. Changes made to your health benefit coverage during the spring Open Enrollment Period are effective July 1 through December 31, 2005. A second Open Enrollment Period is planned for October 2005. During this Open Enrollment Period, employees will make their election for coverage effective January 1 through December 31, 2006.
- **Tobacco Surcharge** — A \$40.00 monthly tobacco surcharge will be added to the monthly premium for coverage effective July 1, 2005, if you or any of your covered dependents have used tobacco products in the previous 12 months. The tobacco surcharge will be waived at the beginning of the Plan Year in which the employee and/or the covered dependents have not used tobacco products for the previous 12 months or longer. The employee will need to answer the tobacco surcharge question “No” during the Open Enrollment Period after the employee and/or covered dependents have stopped using tobacco products for 12 months. **When the employee and spouse both have SHBP family coverage through their employer, the tobacco surcharge will apply to both contracts.**
- **Spousal Surcharge** — A \$30.00 monthly spousal surcharge will be added to the monthly premium for coverage effective July 1, 2005, if you cover your spouse and your spouse is eligible for his/her employer’s group health plan coverage but chose not to take it. The surcharge will apply to your monthly premium until the next Plan Year.

The spousal surcharge does not apply if your spouse is self-employed, retired, disabled or is eligible for SHBP coverage through his/her employment. If during the Plan Year, your spouse enrolls in his/her employer’s group health plan, the spousal surcharge would be discontinued the first of the month following the date the Plan is notified. Proof of the other group health insurance will be required.

- **Spousal Surcharge Determination** — Employees who are unsure of how to answer the spousal surcharge questions should have their spouse contact his/her employer and ask the following questions: (1) Does your spouse’s employer offer a group health insurance program and contribute to the cost of the premium? (2) Does your spouse’s employer offer health benefits through a cafeteria (125) program? (3) Can an employee through your spouse’s company be compensated in salary in lieu of taking benefits? If the answer is “Yes” to any of these questions, the employer sponsors a health benefit and the surcharge will apply.

NOTE: Intentional misrepresentation in response to surcharge questions will have significant consequences. You will automatically lose State Health Benefit Plan coverage for 12 months beginning on the date that your false response is discovered.

- **Dependent Eligibility Verification** — Employees are required to submit official documentation to verify dependent eligibility as indicated below:

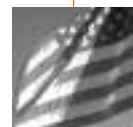
Relationship	Required Document(s)
Spouse	Copy of certified marriage certificate or copy of signed tax return with financial information blacked out, showing spouse's signature.
Natural Child or Student Child	Copy of certified birth certificate.
Stepchild	<ul style="list-style-type: none"> • Copy of certified birth certificate showing your spouse is natural parent; • Copy of certified marriage certificate showing natural parent is your spouse; and • Notarized statement that dependent lives in your home at least 180 days per year.
Legally Dependent Child	<ul style="list-style-type: none"> • Copy of court decree showing your financial responsibility for the dependent and should include the dependent's name, date of birth, and the name of the person who was granted custody; • Copy of certified birth certificate only if the court order does not contain this information; and • Notarized statement that dependent lives in your home on a permanent basis when custody is granted to your spouse.

If the required documentation is not received and approved within 45 days of the date of request, the dependent's coverage will be terminated retroactively to his/her coverage effective date. The Plan has the authority to determine whether or not the documentation satisfies the Plan's requirements. Every effort allowable under the law will be made to recover any and all payments made by the Plan on behalf of ineligible dependents. Employees should refer to the SPD and **Updaters** to review the definition of eligible dependents.

- **Georgia Program Integrity Unit** — The Georgia Program Integrity Unit of the Office of the General Counsel administers the Department of Community Health's Fraud and Abuse Program. Suspected cases of fraud and/or abuse will be forwarded by the SHBP to Program Integrity for investigation.

You can report suspected fraud and/or abuse via the Internet at www.dch.state.ga.us under "State Health Benefit Plan" or by calling the SHBP Fraud and Abuse Hotline at (404) 206-9514 or (877) 878-3360.

- **TRICARE Supplement for Eligible Military Members** — Supplemental insurance is available to employees and dependents who are eligible for TRICARE. In order to enroll in the TRICARE Supplement, the subscriber and each covered dependent **MUST** be eligible for TRICARE and provide a Defense Enrollment Eligibility Reporting System (DEERS) number. According to federal regulations governing this type of coverage, the following may be eligible: Active Military, Retired Military, some Reserve, some National Guard and Qualified dependent(s), spouses and ex-spouses. Employees who enroll but are not eligible for TRICARE, will have their coverage retroactively changed to the PPO option upon discovery. All surcharges will apply and the employee must pay the difference in premiums.



CHANGES TO PLAN BENEFITS: JULY 1, 2005 – DECEMBER 31, 2005

Covered Services	PPO Options					
	PPO Options In-Network/Georgia		PPO Options In-Network/Out-of-State		PPO Options Out-of-Network	
	Current	New	Current	New	Current	New
Deductibles/Co-payments* • Deductible—Individual • Deductible—Family	\$400 \$1,200	\$250 \$750	\$500 \$1,500	\$300 \$900	\$500 \$1,500	\$300 \$900
Hospital Deductible/Admission • All except BHS/transplant • BHS and transplants	\$250 \$100	No change No change	\$250 \$100	No change No change	\$250 \$100	No change No change
Annual Out-of-Pocket Limits* • Individual (you or one of your dependents) • Family (you and your dependents)	\$1,000 \$2,000	\$550 \$1,100	\$2,000 \$4,000	\$1,100 \$2,200	\$2,000 \$4,000	\$1,100 \$2,200
Preventive Care Services	\$500 maximum	No change	\$500 maximum	No change	Not covered	Not covered
Home Healthcare Services** (Home nursing care not reviewed by MCP)	\$7,500	\$3,750	\$7,500	\$3,750	\$7,500	\$3,750
Chiropractic Care	40 visits	20 visits	40 visits	20 visits	40 visits	20 visits
Outpatient Acute Short-Term Rehabilitation Services	40 visits	20 visits	40 visits	20 visits	40 visits	20 visits
Behavioral Care • In-Hospital/Intensive Outpatient • Partial Day/Intensive Outpatient • Brief Visit/Substance Abuse • Outpatient Care • Professional Charges (inpatient)***	60 days 30 days No change 50 visits 60 visits	30 days 15 days No change 25 visits 30 visits	60 days 30 days No change 50 visits 60 visits	30 days 15 days No change 25 visits 30 visits	60 days Not covered No benefit 25 visits 25 visits	30 days Not covered No benefit 13 visits 13 visits

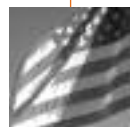
* In-network/out-of-state and out-of-network amounts are combined in the PPO options.

** Plan Year limit is a combined total in the PPO options.

*** Inpatient, out-of-network professional charge or visit (or ECT) counts toward the 13 outpatient-visit limit per year in the PPO and Indemnity options.

**** See the chart in the *Health Plan Decision Guide*.

Indemnity Option		HMO Options							
		BlueChoice		CIGNA		Kaiser Permanente		UnitedHealthcare	
Current	New	Current	New	Current	New	Current	New	Current	New
\$400 \$1,200	\$250 \$750	\$0 \$0	\$100 \$200	\$0 \$0	\$100 \$200	\$0 \$0	\$100 \$200	\$0 \$0	\$100 \$200
\$400 \$100	No change No change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$2,000 \$4,000	\$1,100 \$2,200	N/A	\$500 \$1,000	N/A	\$500 \$1,000	N/A	\$500 \$1,000	N/A	\$500 \$1,000
\$200	No change	Co-payment	****	Co-payment	****	Co-payment	****	Co-payment	****
\$7,500	\$3,750	120 visits	60 visits	120 visits	60 visits	120 visits	60 visits	120 visits	60 visits
40 visits	20 visits	20 visits	10 visits	20 visits	10 visits	20 visits	10 visits	20 visits	10 visits
40 visits	20 visits	40 visits	20 visits	40 visits	20 visits	40 visits	20 visits	40 visits	20 visits
60 days 30 days No change 50 visits 25 visits	30 days 15 days No change 25 visits 13 visits	30 days	15 days	30 days	15 days	30 days	15 days	30 days	15 days
Each HMO may or may not offer this benefit. Contact the HMO directly for more information.									
N/A	No change	N/A	No change	N/A	No change	N/A	No change	N/A	No change
25 visits	13 visits	25 visits	13 visits	25 visits	13 visits	25 visits	13 visits	25 visits	13 visits
30 visits	15 visits	30 visits	15 visits	30 visits	15 visits	30 visits	15 visits	30 visits	15 visits



FOR PPO AND INDEMNITY OPTION MEMBERS

- The PPO Premier, PPO Choice Premier and Indemnity Premier options are no longer offered.
- The names of the PPO Basic, PPO Choice Basic and Indemnity Basic options have been changed to the PPO, PPO Consumer Choice (CCO) and Indemnity options.
- The deductibles for single and family have increased to \$250 single and \$750 family (formerly \$400 and \$1,200) and the out-of-pocket maximums have increased to \$550 single and \$1,100 family (formerly \$1,000 single and \$2,000 family) for the period of July 1 through December 31, 2005 (see chart on previous pages).
- The reduction in the Emergency Room co-payment when referred by NurseCall will be discontinued.
- The PPO, PPO Consumer Choice and Indemnity options will no longer offer a pharmacy maximum out-of-pocket limit.
- The new prescription co-payments are as follows:
 - Generic: \$10
 - Preferred Brand: \$30
 - Non-Preferred Brand: \$100 (formerly \$40).

You may review the Georgia Preferred Drug list at www.dch.state.ga.us. You may contact Express Scripts for the most current status of prescription drug information.

FOR HMO OPTION MEMBERS

- All HMO options will require a deductible and 10% co-insurance payment for certain services (i.e., inpatient and outpatient hospital facility, inpatient professional charges, etc.).
- An out-of-pocket maximum has been established for these services. The deductibles and out-of-pocket maximums are as follows:

	Deductibles	Out-of-Pocket Maximums
Single	\$100	\$500
Family	\$200	\$1,000

- The deductible and co-insurance amounts are included as part of your annual out-of-pocket maximum.
- Once the out-of-pocket maximum amount has been met, covered services are payable at 100%, excluding co-payments.
- Services that require a co-payment will not be applied toward the out-of-pocket maximum.
- The deductible and co-insurance amounts do not apply to physician office visit services, maternity and newborn care, preventive care, pharmacy and other specified services.
- All services provided in a physician's office, including lab work, outpatient surgery, allergy treatment and x-rays, are covered at 100% after paying the applicable co-payment.
- Routine mammograms, Prostate Specific Antigen (PSA) tests and Pap smears are covered at 100%, regardless of the place of service.
- The new prescription co-payments are as follows:
 - Generic: \$10
 - Preferred Brand: \$25
 - Non-Preferred Brand: \$50 (formerly \$40).
- Non-emergency use of the Emergency Room will not be covered.
- HMO Service Area Changes — CIGNA and UnitedHealthcare added counties to their service area. BlueChoice added and deleted counties from their service area. A complete listing of the participating counties can be found in the July 1, 2005 – December 31, 2005, *Health Plan Decision Guide*. You may locate each HMO's provider directory at www.dch.state.ga.us, or you may contact the HMO directly for information.
- Kaiser Permanente implemented a maximum lifetime benefit of \$2 million.



SPD CORRECTIONS / CLARIFICATIONS / REMINDERS

- **Plan Membership** — SPD, page 92, General Legal Information, third item. Employer Identification Number. The number is 58-1282972, which is assigned by the IRS for the State of Georgia.
- **Claim Information** — SPD, page 69, Filing a Claim when Coordination of Benefits (COB) Applies, add the following text after the second paragraph.

Provider Participation in Primary and Secondary Plan Managed Care Networks — In those situations where members have COB with different managed care networks, the allowable expenses may be affected by the rates the provider has negotiated with each plan.

- In the event the primary plan's allowable rate is less than the SHBP allowable rate, the primary plan's payment will be subtracted from the SHBP's allowable rate, and the difference will be paid.
- In the event the primary plan's allowable rate is more than the SHBP's allowable rate, there will be no additional payment.
- In the event the primary and secondary plan is a SHBP plan, then the SHBP will reimburse up to the maximum allowable of the secondary plan be it Indemnity, PPO or PPO Consumer Choice.
- In no event will you receive more than the network allowable rate.

The SHBP remittance is intended to indicate member liability for SHBP coverage only. It does not take into consideration the member's responsibility for any deductibles, co-payments or co-insurance owed through the primary insurance. The provider is allowed to collect any monies that are owed to them by the member through the primary plan.

PPO OPTION MEMBERS

- **Charges from Hospitals or Ambulatory Surgical Centers (SPD)**, page 53, left column, third sentence — Charges from Hospitals or Ambulatory Surgical Centers are reimbursed at 75% of the total eligible charge if one of the surgeries is non-covered. For example, \$1,000 charge: covered procedure \$600, non-covered procedure \$400. Reimbursement will be 75% of \$600 = \$450.